

RECORDATION NO. 26157 FILED

JAN 27 '06 11:02 AM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
—
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

January 27, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of January 25, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: JP Morgan Chase Bank, N.A.
Commercial Building
120 South LaSalle Street, 2nd Floor
Chicago, Illinois 60603

Debtor: Isla Largo, LLC
118 South Clinton Street, Suite 300
Chicago, Illinois 60661

Mr. Vernon A. Williams
January 27, 2006
Page 2

A description of the railroad equipment covered by the enclosed document is:

11 locomotives: AMTK 440 – AMTK 442, CDAC 450, CDAC 453, CDAC 456, CDAC 459, HLCX 852, HLCX 3635, HSMR 1100 and NCBX 1114, and
4 railcars: LI 2948, LI 2968, LI 2970 and LI 2974.

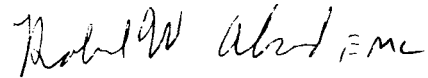
A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord".

Robert W. Alvord

RWA/anm
Enclosures

JAN 2 2006 11-02 AM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Memorandum of Security Agreement is made and entered into as of January 25, 2006, by and between JPMorgan Chase Bank, N.A. (hereinafter referred to as "Secured Party") and Isla Largo, LLC (hereinafter referred to as "Debtor").

The Secured Party made certain loans to Debtor pursuant to a credit agreement (the "Credit Agreement") dated January 25, 2006 between Debtor and the Secured Party.

Pursuant to a Security Agreement dated January 25, 2006 (the "Security Agreement"), Debtor granted to Secured Party a security interest in the eleven (11) locomotives and four (4) railcars, as more particularly described on Schedule A hereto (the "Locomotives" and each, a "Locomotive").

As contemplated by the Security Agreement, Secured Party and Debtor hereby make this Memorandum of Security Agreement to confirm and perfect Secured Party's security interest in the Locomotives. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Security Agreement is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

Secured Party:**Debtor:**

JPMORGAN CHASE BANK, N.A.

ISLA LARGO, LLC

By: 

Name:

Curtis Reed

Title:

Vice President

By: Iowa Pacific Holdings, LLC, its Managing Member

By: 

Name:

Edwin Ruiz

Title:

President & Manager

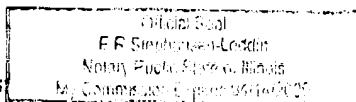
STATE OF Illinois)
)
COUNTY OF Cook) SS:

On this 26 day of January, 2006, before me personally appeared Edwin Ellis, to me personally known, who being duly sworn, says that he/she is a Manager & President of Toca Pacific Holdings, LLC, corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation. company Managers a limited liability company

[Signature]
Notary Public

[NOTARIAL SEAL]

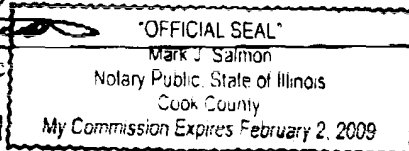
My Commission Expires



STATE OF Illinois)
)
COUNTY OF Cook) SS:

On this 26th day of January, 2006, before me personally appeared Curtis Reed, to me personally known, who being duly sworn, says that he/she is a Vice President of CTP Morgan Chase corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public
[NOTARIAL SEAL]
My Commission Expires February 2, 2009



My Commission Expires:

**SCHEDULE A
TO MEMORANDUM OF SECURITY AGREEMENT**

Eleven (11) locomotives bearing the following road marks and numbers (all inclusive):

HLCX	3635	GP38	EMD	1967	2000
HLCX	852	GP8	EMD	1950	1500
NCBX	1114	FP10	EMD	1949	1500
HSMR	1100	FP10	EMD	1949	1500
CDAC	450	F40M	EMD	1978	3000
CDAC	456	F40M	EMD	1978	3000
CDAC	459	F40M	EMD	1978	3000
CDAC	453	F40M	EMD	1978	3000
AMTK	440	Road	EMD	1978	n/a
		Slug			
AMTK	441	Road	EMD	1978	n/a
		Slug			
AMTK	442	Road	EMD	1978	n/a
		Slug			

Four (4) railcars bearing the following marks and numbers:

LI	2948	ISSH	Pullman	1955
LI	2968	ISSH	Pullman	1955
LI	2970	ISSH	Pullman	1955
LI	2974	ISSH	Pullman	1955

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: January 27, 2006

Edward M. Luria
Edward M. Luria